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Identification Number: C00448696

Reference: Amended October Monthly (9/1/10-9/30/10) Received 11/18/10 and Amended Pre-General (10/1/10-10/13/10),  
Received 12/7/10

Dear Mr. Norfleet:

This letter provides addition information related to the amendments referenced above.

Amended October Monthly Report (9/1/10-9/30/10), received 11/18/10:

During the preparation of this report, the Committee experienced several difficulties with the filing software. In addition, due to the size of the report, the Committee was unable to generate and file the report-the software company performed these steps. As a result, the Committee was unable to produce and review any drafts of the report prior to filing.

Because of the large volume of earmarked contributions, the software company also had to perform all imports that disclosed the receipt and disbursement of each earmark. Furthermore, the software would not allow the Committee to force itemize these contributions and disbursements (because most did not aggregate over the \$200 regular itemization threshold), and the software company took extra steps with each import file to force these itemizations.

Due to the large number of transactions associated with this filing and the number of items that the software company had to do for the Committee, it was difficult to sort out what was accurately disclosed on the original filing. The Committee took every step to carefully amend the filing and fully disclose all transactions that were not initially disclosed.

Amended 12 Day Pre-General Report (10/1/10-10/13/10), received 12/7/10:

The amended report disclosed disbursements that were not disclosed on the original filing. The Committee again experienced difficulty with the software. Please note that these reports were due on 10/20/10 and 10/21/10 and that the software company was unable to address specific issues in this short timeframe. In addition, due to the close filing dates, this web based software experienced a high volume of usage, which slowed the system and made data entry and uploading data a time consuming and difficult process. The software did not accurately load data and it was difficult to link transactions within the software so that they would be accurately reflected on the final report. Within the operating expenses, most missing transactions were bank fees and credit card processing fees, not any transactions that were directly related to the daily operations of the Committee or related to the General Election.

In reviewing independent expenditures that were not disclosed on the original report, there were two distinct items. All of the independent expenditures, except one, that were not included on the original report were transactions with

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## **ETEXT ATTACHMENT**

the Senate Conservatives Fund as the payee and were made to disclose online processing fees associated with processing the online earmarked contributions made through the Committee for other federal candidates. The Federal Election Commission has questioned the need to report these as independent expenditures, but the Committee has continued to do so in the interest of full disclosure.

The only other independent expenditure that was not accurately reported on the original filing and made up most of the additional disbursements disclosed was a payment in the amount of \$159,298 to Red Sea, LLC for a media buy for candidate Ken Buck. This payment was fully disclosed on a 48-hour notice filed on 10/7/10, but was not accurately reflected on the original filing, where it was disclosed with the amount of \$9489 (related to the software issues detailed above). However, as stated, this independent expenditure was fully and accurately disclosed in a 48-hour notice filed in advance of the election by the Senate Conservatives Fund.

The Committee has worked closely with the software company to avoid these issues in the future. The software company has established procedures to allow for itemization of earmarks, the ability to produce large FEC reports, and has improved its web based operations to prevent performance issues during high volume times. The Committee has also streamlined its methods of tracking independent expenditures to ensure all are accurately reflected and has tightened controls on accepting and disbursing earmarked contributions to assist in the upload of data to the filing software.

Thank you for the opportunity to provide you with this additional information.

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